



DEPARTMENT OF THE TREASURY

Proposed Collection; Comment Request

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork burdens, invites the general public and other Federal agencies to comment on revisions in 2014 of two currently approved information collections that are proposed for approval by the Office of Management and Budget. The Office of International Affairs within the Department of the Treasury is soliciting comments concerning the revisions of the Treasury International Capital (TIC) Forms SHL/SHLA and SHC/SHCA.

DATES: Written comments should be received on or before [insert 60 days after date of publication] to be assured of consideration.

ADDRESSES: Direct all written comments to Dwight Wolkow, International Portfolio Investment Data Systems, Department of the Treasury, Room 5422 MT, 1500 Pennsylvania Avenue NW, Washington DC 20220. In view of possible delays in mail delivery, you may also wish to send a copy to Mr. Wolkow by email (comments2TIC@do.treas.gov) or FAX (202-622-2009). Mr. Wolkow can also be reached by telephone (202-622-1276).

FOR FURTHER INFORMATION CONTACT: Copies of the proposed forms and instructions are available on the Treasury International Capital (TIC) Forms webpage for “Forms SHL/SHLA & SHC/SHCA”, at: <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms-sh.aspx>. Requests for additional information should be directed to Mr. Wolkow.

SUPPLEMENTARY INFORMATION:

Title: Treasury International Capital (TIC) Form SHL/SHLA “Foreign-Residents’ Holdings of U.S. Securities, including Selected Money Market Instruments”; TIC Form SHC/SHCA “U.S. Ownership of Foreign Securities, including Selected Money Market Instruments.”

OMB Numbers: 1505-0123 (Form SHL/SHLA); 1505-0146 (Form SHC/SHCA).

Abstract: These forms are used to conduct annual surveys of cross- border holdings of securities for portfolio investment purposes -- Form SHL/SHLA collects foreign-residents’ holdings of U.S. securities; and Form SHC/SHCA collects U.S. residents’ ownership of foreign securities. These data are used by the U.S. Government in the formulation of international financial and monetary policies, and for the computation of the U.S. balance of payments accounts and of the U.S. international investment position. These data are also used to provide information to the public and to meet international reporting commitments. The SHC/SHCA survey is part of an internationally coordinated effort under the auspices of the International Monetary Fund to improve data on securities worldwide. Most of the major industrial and financial countries conduct similar surveys.

Both data collections have large benchmark surveys conducted every five years, and smaller annual surveys conducted in the non-benchmark years. The data collected under an annual survey are used in conjunction with the results of the preceding benchmark survey to make economy-wide estimates for that non-benchmark year. Currently, the determination of who must report in the annual surveys is based primarily on the data submitted during the preceding benchmark survey. The data requested in the annual survey will generally be the same as

requested in the preceding benchmark report. Form SHL is used for the benchmark survey of all significant U.S.-resident custodians and U.S.-resident issuers of securities regarding foreign-residents' holdings of U.S. securities. In non-benchmark years Form SHLA is used for the annual surveys of primarily the largest U.S.-resident custodians and issuers. Form SHC is used for the benchmark survey of all significant U.S.-resident custodians and end-investors regarding U.S. ownership of foreign securities. In non-benchmark years Form SHCA is used for the annual surveys of primarily the very largest U.S.-resident custodians and end-investors.

Current Actions: The proposed changes will: (1) modify the determination of who must report on the annual surveys to include consideration of those filing the monthly TIC Form SLT report; (2) streamline Forms SHL/SHLA and SHC/SHCA to provide consistency among the annual surveys and the TIC SLT (details of the changes follow below); and (3) update and clarify the instructions for both forms, including updating how to submit reports and the line-by-line instructions. The changes will improve overall survey reporting.

The remainder of the Current Actions section shows in more detail the proposed changes to streamline Form SHC/SHCA and Form SHL/SHLA, organized by schedule:

The following changes apply to Schedule 1: Reporter Contact Information and Summary of Financial Information:

Changes for both Form SHCA and Form SHLA

- a. Minor changes in wording concerning the reporter's identification number, name, and contacts.*

- b. *Lines that previously lacked numbers now have them, resulting in renumbering of subsequent lines.*
- c. *In "Reporter Type", "Banks" is replaced with "Depository Institution", "Mutual fund or investment trust" is replaced with "Fund/Fund Manager/Sponsor (excluding pension fund)", and "Other Financial Organization" is specified to include "BHCs (Bank Holding Companies) and FHCs (Financial Holding Companies)."*
- d. *The line for a contact fax number is eliminated.*

Form SHCA Changes (only)

- a. *"Industrial Classification Code" is replaced with "Reporter Type".*

Form SHLA Changes (only)

- a. *In "Reporter Type," "Pension Fund" is added.*

The following changes apply to Schedule 2: Details of Securities:

Changes for both Form SHCA and Form SHLA

- a. *Minor changes in wording throughout to remove instruction comments.*
- b. *Lines are renumbered.*
- c. *The line for "Security ID System" is now consistent across Forms SHCA and SHLA. The new categories are: 1 = CUSIP, 2 = ISIN, 3 = CINS, 4 = Common Code, 5 = SEDOL, 6 = Internally Generated, and 7 = Other.*
- d. *The lines applying to debt securities (including asset-backed securities) are reorganized, though the substance of the information to be reported remains unchanged.*

- e. *The “Term Indicator” line is eliminated.*
- f. *The “Intentionally Left Blank” lines are eliminated.*
- g. *“Market values” is replaced by “Fair values”.*

Form SHCA Changes (only)

- a. *A new item requires reporters to specify whether they are reporting the security as “End-investors” or “Custodians”.*
- b. *“Security Type” is now consistent with Forms SHLA. “Unstripped bond or note and all other asset-backed debt” is replaced by security types “Bond or note, unstripped”, “Bond or note, stripped”, and “All other debt”.*
- c. *“Ownership Code” is replaced with “Type of U.S. Owner”. A new, more precise system of categories replaces the old categories. The new categories are: 1 = Depository Institution; 2 = Fund or Other Investment Vehicle (excluding pension and mutual funds); 3 = Pension Fund; 4 = Mutual Fund, 5 = Insurance Company; 6 = Other Financial Organization (including BHC and FHC); 7 = Nonfinancial Organization excluding Individual/Household; 7= Individual or Household.*
- d. *“Type of Foreign Issuer” is added to identify if the security is issued by “Foreign Official Institutions” or “All Other Foreigners”.*

Form SHLA Changes (only)

- a. *Within “Type of Issuer”, “Other” is eliminated and “Depository Institution,” “Other Financial Organization (including BHC and FHC),” and “Nonfinancial Organization” are added.*
- b. *“Issuer Code” is replaced with “Reporting as”.*

The following changes apply to Schedule 3 of Form SHCA: Custodians Used:

- a. Minor changes in wording throughout to remove instruction comments.*

Type of Review: Revision of two currently approved data collections.

Affected Public: Business/Financial Institutions.

Forms: TIC SHL/SHLA, Schedules 1 and 2 (1505-0123).

TIC SHC/SHCA, Schedules 1, 2 and 3 (1505-0146).

Estimated Number of Respondents: For Form SHLA, an annual average (over five years) of 191, but this varies widely from about 540 in benchmark years (once every five years) to about 104 in other years (four out of every five years). For Form SHCA, an annual average (over five years) of 341, but this varies widely from about 955 in benchmark years (once every five years) to about 190 in other years (four out of every five years).

Estimated Average Time per Respondent: For Form SHLA, an annual average (over five years) of about 168 hours, but this will vary widely from respondent to respondent. (a) In the year of a benchmark survey, which is conducted once every five years, it is estimated that exempt respondents will require an average of 17 hours; for custodians of securities, the estimate is a total of 321 hours on average, but this figure will vary widely for individual custodians; and for issuers of securities that have data to report and are not custodians, the estimate is 61 hours on average. (b) In a non-benchmark year, which occurs four years out of every five years: For the largest custodians of securities, the estimate is a total of 486 hours on average; and for the largest issuers of securities that have data to report and are not custodians, the estimate is 110 hours on average.

For Form SHCA, an annual average (over five years) of about 169 hours, but this will vary widely from respondent to respondent. (a) In the year of a benchmark survey, which is conducted once every five years, it is estimated that exempt respondents will require an average of 17 hours; custodians of securities providing security-by-security information will require an average of 361 hours, but this figure will vary widely for individual custodians; end-investors providing security-by-security information will require an average of 121 hours; and end-investors and custodians employing U.S. custodians will require an average of 41 hours. (b) In a non-benchmark year, which occurs four years out of every five years: Custodians of securities providing security-by-security information will require an average of 546 hours (because only the largest U.S.-resident custodians will report), but this figure will vary widely for individual custodians; end-investors providing security-by-security information will require an average of 146 hours; and reporters entrusting their foreign securities to U.S. custodians will require an average of 49 hours. The exemption level, which applies only in benchmark years, for custodians is the holding of less than \$100 million in foreign securities and for end-investors the owning of less than \$100 million in foreign securities with a single custodian.

Estimated Total Annual Burden Hours: For Form SHLA, an annual average (over five years) of 32,060 hours. For Form SHCA, an annual average (over five years) of 57,630 hours.

Frequency of Response: Annual.

REQUEST FOR COMMENTS: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit written

comments concerning: (a) whether the Survey is necessary for the proper performance of the functions of the Office of International Affairs within the Department of the Treasury, including whether the information collected will have practical uses; (b) the accuracy of the above estimate of the burdens; (c) ways to enhance the quality, usefulness and clarity of the information to be collected; (d) ways to minimize the reporting and/or record keeping burdens on respondents, including the use of information technologies to automate the collection of the data requested; and (e) estimates of capital or start-up costs of operation, maintenance and purchase of services to provide the information requested.

Dwight Wolkow,

Administrator, International Portfolio Investment Data Systems

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